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Message Text

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15
ACTION EUR-06

INFO OCT-01 ISO-00 EB-11 RSC-01 DRC-01 /020 W
---------- 102217
O R 241043Z JUL 74
FM AMEMBASSY LISBON
TO USDA/FAS WASHDC IMMEDIATE
INFO SECSTATE WASHDC 0082

UNCLAS LISBON 3112

FOR HORABLY AA/AA FROM AGATT LISBON

SUBJ: WORKERS TAKE OVER CENTRAL SOYA PLANT

TOFAS 64. 1. SINCE APRIL 25 COUP MANY COMPANIES, BOTH PORTUGUESE AND FOREIGN, HAVE EXPERIENCED LABOR PROBLEMS INCLUDING STRIKES AND PLANT TAKE-OVER BY WORKERS. LATEST INCIDENT INVOLVES U.S. OWNED FIRM PROVIMI PROTUGUESA, (CENTRAL SOYA FORT WAYNE INDIANA). WORKERS WENT ON STRIKE ANDTOOK OVER PLANT JULY 17. NEGOTIATIONS HAVE BROKEN DOWN. MANAGEMENT CONTINUING EFFORTS TO RENEW NEGOTIATIONS.

2. PROVIMI PROTUGUESA, A COMPOUND ANIMAL FEED MANUFACTURING FIRM (DOES NOT PROCESS SOYBEANS), WAS ACQUIRED BY CENTRAL SOYA THROUGH PURCHASE DUTCH PARENT COMPANY (PROVIMI) ABOUT 3 YEARS AGO. PROVIMI (HOLLAND) HAD PLANTS IN SEVERAL EUROPEAN COUNTRIES AND ENTRY INTO PORTUGUESE MARKET WAS NOT CONSIDERATION IN PURCHASE. AT PRESENT FIRM HAS ABOUT 8-10 PERCENT OF 1973 PORTUGUESE MIXED FEED MARKET OF 1.5 MILLION TONS. FIRM HAS ABOUT 180 EOMPLOYES WITH MANAGEMENT DUTCH, U.S. AND OTHER 3RD COUNTRY NATIONALS. INVESTMENT TOTALS ABOUT $2 MILLION. FIRM HAS 2 PLANTS, ONE NEAR LISBON AND THE OTHER NEAR OPORTO. (PLANT NEAR OPORTO NOT YET INVOLVED IN STRIKE OR TAKEOVER).
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3. IN MID-MAY 1974 WORKERS PRESENTED MANAGEMENT
WITH DEMAND FOR ACROSS BOARD WAGE INCREASE OF
1500 ESCUDOS ($60) PER MONTH. THIS WAS GRANTED
ALONG WITH ADJUSTMENT IN WORKING HOURS. WORKERS
SAID NO FORTHER WAGE DEMANDS WOULD BE MADE UNTIL
END OF 1974. IN LATE JUNE AN INTERNAL DISPUTE
SHUT DOWN PLANT FOR ONE DAY.

4. ON JULY 9 WORKERS SUBMITTED A LIST OF
50 DEMANDS, MOSTLY CONCERNING WORKING CONDITIONS,
ECONOMIC CONSIDERATIONS AND MANAGEMENT AUTHORITY,
GIVING MANAGEMENT UNTIL JULY 16 TO RESPOND.
MANAGEMENT AND WORKERS MET WITH LOCAL REPRESENTATIVE
MINISTRY OF LABOR ON JULY 16 AND 17 AND ATTEMPTED
TO NEGOTIATE DEMANDS. ACCORDING TO MANAGEMENT,
LABOR MINISTRY REP SAID HE COULD NOT BE OFFICIALLY
INVOLVED BUT WOULD USE GOOD OFFICES TI MEDIATE DISPUTE.
MANAGEMENT INDICATED THAT 35 OF DEMANDS COULD BE
FULLY OR PARTIALLY ACCEPTED BUT OTHERS WOULD
INFRINGE ON MANAGEMENT CONTROLS. WORKERS'
POSITION WAS ALL OR NOTHING. LATE JULY 17 PLANT
WAS SHUT DOWN BY WORKERS. MANAGEMENT PRESENTED
ORAL RESPONSE TO WORKERS DEMANDS TO
LABOR MINISTRY REP ON JULY 18. MANAGEMENT
HAS NOT ATTEMPTED TO ENTER PLANT SINCE SHUTDOWN.
WORKERS SAID THEY CAN OPERATE PLANT WITHOUT
MANAGEMENT BUT THUS FAR HAVE NOT DONE SO.

5. AGRICULTURE ATTACHE MET WITH MANAGEMENT ON
JULY 21 TO DISCUSS SITUATION. ON JULY 22
MANAGEMENT MET WITH CHARGE AND AGRICULTURE
ATTACHE TO DISCUSS SITUATION AND POTENTIAL
COURSES OF ACTION.

6. WORKERS DEMANDED ON JULY 22 THAT MANAGEMENT
SIGN PAYROLL WHICH WAS REFUSED. MANAGEMENT
MET WITH LAWYERS. ON JULY 23 WRITTEN RESPONSE
TO WORKERS DEMANDS WAS GIVEN LOCAL LABOR MINISTRY
REP. LATE AFTERNOON JULY 23 MANAGEMENT MET WITH
MEMBER OF MILITARY JUNTA WHO PROMISED TO DISCUSS
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MATTER WITH NEW MINISTER OF LABOR AND RESPOND
TO FIRM'S LAWYERS BY JULY 24. WORKERS REMAIN ON
STRIKE AND IN CONTROL OF PLANT.

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Message Attributes

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Copy: SINGLE
Draft Date: 24 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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Subject: WORKERS TAKE OVER CENTRAL SOYA PLANT TOFAS 64. 1. SINCE APRIL 25 COUP MANY COMPANIES
TAGS: ELAB
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